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UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re

C & K Market, Inc.,

Debtor.

Case No. 13-64561-fra11

**DEBTOR'S MOTION FOR ORDER  
AUTHORIZING CONTINUED USE  
OF EXISTING BANK ACCOUNTS  
AND CASH MANAGEMENT  
SYSTEM**

*EXPEDITED HEARING REQUESTED*

C & K Market, Inc., debtor and debtor-in-possession ("Debtor"), moves this Court for entry of an order (1) authorizing Debtor's continued use of (a) its existing bank accounts ("Bank Accounts") and business forms, including, authorizing Debtor to open and close bank accounts amounts notwithstanding LBR 2015-2.F; and (b) its current cash management system and (2) authorizing, but not directing, all banks ("Banks") participating in the cash management system to honor certain transfers and certain other amounts. In support of this Motion, Debtor incorporates the statements contained in the Declaration of

1 Edward Hostmann in Support of First Day Pleadings ("First Day Declaration") filed  
2 contemporaneously herewith, and further respectfully states as follows:

3 1. On November 19, 2013 (the "Petition Date"), Debtor filed a voluntary  
4 petition for relief under Chapter 11 of Title 11 of the United States Code.

5 2. Debtor has continued in possession of its property and is continuing to  
6 operate and manage its business as debtor-in-possession pursuant to Sections 1107(a) and  
7 1108 of Title 11 of the United States Code.

8 3. No request has been made for the appointment of a trustee or  
9 examiner, and no official committee of unsecured creditors has been appointed in Debtor's  
10 case.

11 4. The Court has jurisdiction over this matter pursuant to 28 U.S.C.  
12 §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.  
13 This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

14 5. C & K is a family owned grocery store company headquartered in  
15 Brookings, Oregon. Ray Nidiffer founded the company in 1956 with a single store in  
16 Brookings. Over the next 50 years, the Nidiffer family and its employees grew the company  
17 to a chain of 60 stores, operating mostly in small rural communities, with 41 stores in Oregon  
18 and 19 stores in northern California. The stores operate under the banners Ray's Food Place,  
19 Shop Smart and C & K Market ("Market"). Market employs over 2,300 employees,  
20 approximately 57% of whom are full-time. Market has an average biweekly payroll in  
21 excess of \$2,700,000 and provides family health insurance for all its full-time employees.

22 **DEBTOR'S BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM**

23 6. In the ordinary course of its business, and prior to the Petition Date,  
24 Debtor used a centralized cash management system ("Cash Management System"). The  
25 Cash Management System is designed to process credit card transactions and to efficiently  
26 collect, transfer, and disburse funds generated through Debtor's ordinary course of business

1 and to accurately record such collections, transfers, and disbursements as they are made.  
 2 Debtor's Cash Management System includes multiple integrated Bank Accounts, including  
 3 over 90 deposit accounts, at American West Bank, Bank of Willits, Coast Central Credit  
 4 Union, Evergreen Federal, Plumas Bank, Rogue Federal Credit Union, Scott Valley Bank,  
 5 Siuslaw Bank, Siuslaw Valley Bank, US Bank, Umpqua Bank, and Wells Fargo (the "Bank  
 6 Accounts")<sup>1</sup> A listing and description of the Bank Accounts are attached hereto as **Exhibit 1**  
 7 and incorporated herein by this reference. In addition, Debtor and Elavon, Inc. ("Elavon")  
 8 are parties to a Payment Device Processing Agreement ("Payment Device Processing  
 9 Agreement") dated as of June 16, 2010, pursuant to which, among other things, Elavon  
 10 provides credit card processing services to Debtor.

11 7. The Cash Management System—including continuity of Debtor's  
 12 Bank Accounts—provides benefits to Debtor such as enabling it to: (a) efficiently and  
 13 effectively control and monitor funds and (b) reduce administrative expenses by facilitating  
 14 the movement of funds and the development of more timely and accurate account balance  
 15 information. These benefits are especially important here given the significant volume of  
 16 cash transactions managed through the Cash Management System.

17 8. The following is a more detailed description of the Bank Accounts and  
 18 the Cash Management System.

19 a. Debtor has deposit bank accounts for each local store, as well  
 20 as corporate administrative accounts. To the extent the city in  
 21 which the local store is located has a US Bank branch, the local  
 22 store bank account is held at the US Bank branch. To the  
 23 extent the city in which the local store is located does not have  
 a US Bank branch, the local store bank account is held at an  
 alternative local bank branch. A US Bank "shadow bank  
 account" is held for each local store that does not have a local  
 US Bank account.

24 b. Debtor's local store bank accounts at US Bank and elsewhere

25 <sup>1</sup> US Bank and Wells Fargo are institutions approved by the United States Trustee as  
 26 authorized depository institutions.

1 consist of cash and check deposits ("Non-Electronic Funds").  
 2 Non-Electronic Funds from all local stores are deposited into  
 3 the local bank branches on a daily basis. To the extent a  
 4 particular local store bank account is at US Bank, all debit,  
 5 credit, and EBT funds ("Electronic Funds") are also deposited  
 6 into that US Bank account. To the extent a particular local  
 store has a non-US Bank account, all Electronic Funds are  
 deposited in the US Bank shadow bank account associated with  
 that store on a daily basis. All Electronic Funds and Non-  
 Electronic Funds are transferred to Debtor's special account on  
 at least a weekly basis.

7 9. As part of its Cash Management System, as described above, Debtor  
 8 utilizes more than 90 Bank Accounts on a regular basis. Debtor maintains each of its Bank  
 9 Accounts at financial institutions insured by the Federal Deposit Insurance Corporation  
 10 ("FDIC"). To avoid substantial disruption to the normal operation of its business and to  
 11 preserve a "business as usual" atmosphere, Debtor hereby requests that it be permitted to  
 12 continue to use its Bank Accounts with the same account numbers without interruption.  
 13 Absent this relief, the U.S. Trustee Guidelines would require Debtor to close all of its pre-  
 14 petition Bank Accounts and open new accounts. If Debtor was required to establish new  
 15 bank accounts and a new cash management system, the process would be lengthy and  
 16 expensive, impose a substantial burden on the estate, and could disrupt payments to key  
 17 vendors and employees. This is especially true because Debtor has so many Bank Accounts,  
 18 many of which are held in small towns with limited banking options, let alone U.S. Trustee-  
 19 authorized depositories. The prospect of transporting cash and checks from one of Debtor's  
 20 local stores to another town—just for the sake of depositing those funds at an authorized  
 21 depository—would be logistically challenging, waste Debtor resources, risk the smooth  
 22 operation of Debtor's business, and endanger estate funds in the process.

23 10. Debtor further seeks authority to implement ordinary course changes  
 24 to the Cash Management System as Debtor may determine such changes are beneficial to its  
 25 business. As part of these ordinary course changes, Debtor requests authority to open and  
 26 close bank accounts. Debtor requests that the Banks be authorized, but not directed, to honor

1 Debtor's requests to open or close any bank accounts, provided that any new domestic  
2 account is established at a bank insured with the FDIC or the Federal Savings and Loan  
3 Insurance Corporation ("FSLIC") and that it is organized under the laws of the United States  
4 or any state therein, or in the case of accounts that may carry a balance exceeding the  
5 insurance limitations set thereby, on the list of authorized bank depositories for the District of  
6 Oregon.

7 11. To protect against the possible inadvertent payment of pre-petition  
8 claims, Debtor will immediately advise its Banks not to honor checks issued prior to the  
9 Petition Date in accordance with the stop payment procedures designated in the agreements  
10 governing the relationships between Debtor and its Banks, except as otherwise expressly  
11 permitted by an order of the Court and directed by Debtor. Importantly, Debtor possesses the  
12 capacity to draw the necessary distinctions between pre-petition and post-petition obligations  
13 and payments without closing the Bank Accounts and opening new ones.

14 12. Given Debtor's integrated banking structure and the protections taken  
15 by Debtor, it would not further the purposes of the Bankruptcy Code or Debtor's  
16 reorganization to prohibit Debtor from continuing to use its existing accounts or from  
17 continuing to utilize the services of Elavon under the Payment Device Processing  
18 Agreement.

19 13. In fact, bankruptcy courts routinely permit Chapter 11 debtors to  
20 maintain their existing bank accounts and cash management systems, generally treating  
21 requests for such relief as a relatively "simple matter." *In re Baldwin-United Corp.*, 79 B.R.  
22 321, 327 (Bankr. S.D. Ohio 1987); *see also Charter Co. v. Prudential Ins. Co. of Am. (In re*  
23 *Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (holding that allowing debtors to use their  
24 pre-petition "routine cash management system" was entirely consistent with applicable  
25 provisions of the Bankruptcy Code).

14. Authority to continue the use of bank accounts has been routinely granted in other large Chapter 11 cases. *See, e.g., In re Blue Heron Paper Company*, Case No. 09-4092-rld-11 (Bankr. D. Or.) [Dkt. #31]; *In re Lumber Products*, Case No. 12-32729-elp11 (Bankr. D. Or.) [Dkt. #60]; *In re Storables Inc.*, Case No. 09-32252-rld11 (Bankr. D. Or.) [Dkt. #31]; *In re Stayton SW Assisted Living, L.L.C.*, Case No. 09-cv-6082-HO (D. Or.) [Dkt. # 337]; *In re Fresh & Easy Neighborhood Market Inc., et al.*, Case No. 13-12569(KJC) (Bankr. D. Del.) [Dkt. #50]; *In re OnCure Holdings, Inc., et al.*, Case No. 13-11540 (KG) (Bankr. D. Del.) [Dkt. #143]; *In re AFA Investment Inc., et al.*, Case No. 12-11127 (MFW) (Bankr. D. Del.) [Dkt. #37]; *In re Harry & David Holdings, Inc., et al.*, Case No. 11-10884 (MFW) (Bankr. D. Del.) [Dkt. #51].

15. Debtor respectfully submits that under the circumstances, it is in the best interests of Debtor's estate and creditors to maintain the Bank Accounts and Cash Management System in substantially the same form as they existed prior to the Petition Date, or as Debtor may modify them in the ordinary course of business. Preserving a "business as usual" atmosphere and avoiding the unnecessary distractions and risks that inevitably would be associated with any substantial changes to the Bank Accounts and Cash Management System will facilitate Debtor's stabilization of its post-petition business operations.

#### **DEBTOR'S CONTINUED USE OF EXISTING CHECKS IS NECESSARY**

16. In the ordinary course of its businesses, Debtor uses a multitude of checks. By virtue of the nature and scope of Debtor's business operations and the large number of suppliers of goods and services with whom Debtor deals on a regular basis, it is important that Debtor be permitted to continue to use its existing checks without alteration or change. Notwithstanding Rule 2015-2(a) of the Local Rules of the Bankruptcy Court for the District of Oregon ("Local Rules"), and to avoid disruption of the Cash Management System and unnecessary expense, Debtor requests that it not be required to include the legend "D.I.P." and the corresponding bankruptcy case number on any existing checks. To the

1 extent Debtor prints or has printed any new checks after the Petition Date, it will include the  
2 legend "D.I.P." and the corresponding bankruptcy case number.

3 17. As parties that presently conduct business with Debtor likely will be  
4 aware of Debtor's status as debtor-in-possession, the alteration of Debtor's existing checks  
5 would be unnecessary and unduly burdensome. Further, bankruptcy courts have allowed  
6 debtors to use their pre-petition check forms without the "D.I.P." label in other large cases.  
7 *See, e.g., In re OnCure Holdings, Inc., et al.*, Case No. 13-11540 (KG) (Bankr. D. Del.)  
8 [Dkt. #143]; *In re AFA Investment Inc., et al.*, Case No. 12-11127 (MFW) (Bankr. D. Del.)  
9 [Dkt. #37]; *In re Harry & David Holdings, Inc., et al.*, Case No. 11-10884 (MFW) (Bankr.  
10 D. Del.) [Dkt. #51].

11 **THE COURT SHOULD AUTHORIZE BANKS PARTICIPATING IN THE CASH**  
12 **MANAGEMENT SYSTEM TO HONOR CERTAIN TRANSFERS AND CHARGE**  
**BANK FEES AND CERTAIN OTHER AMOUNTS**

13 18. Contemporaneously with the filing of this Motion, Debtor has filed  
14 various motions for authorization to pay certain pre-petition debt. With respect to some of  
15 this debt, prior to the Petition Date Debtor issued checks that have yet to clear the banking  
16 system. With respect to other debt, Debtor intends to issue checks post-petition on account  
17 of such pre-petition debt once the Court enters an order permitting Debtor to take such  
18 action. Debtor intends to inform its Banks which pre-petition checks Debtor's Banks should  
19 honor pursuant to orders of the Court authorizing such payment.

20 19. As a result of the foregoing, Debtor requests the Banks be authorized,  
21 but not directed, to accept and honor all representations from Debtor as to which checks,  
22 drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of  
23 this Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated  
24 prior to, on, or subsequent to the Petition Date. Pursuant to the relief requested in this  
25 Motion, the Banks will not be liable to any party on account of (a) following Debtor's  
26 instructions or representations as to any order of this Court, (b) honoring any pre-petition

1 check or item in a good faith belief that the Court has authorized such pre-petition check or  
 2 item to be honored, or (c) an innocent mistake made despite implementation of reasonable  
 3 item-handling procedures. Such relief is reasonable and appropriate because the Banks are  
 4 not in a position to independently verify or audit whether a particular item may be paid in  
 5 accordance with a Court order or otherwise.

6 20. Finally, Debtor requests authority to continue performing its  
 7 obligations under any agreement related to the Cash Management System and for the Banks  
 8 and Elavon to charge, and Debtor to pay or honor, both pre-petition and post-petition service  
 9 and other fees, costs, charges and expenses to which the Banks and Elavon may be entitled  
 10 under the terms of and in accordance with their contractual arrangements with Debtor  
 11 (collectively, the "Fees"). Debtor also requests the Banks be authorized, but not directed, to  
 12 charge back returned items to the Bank Accounts in the normal course of business.

13 21. Debtor requires this relief to minimize the disruption of the Cash  
 14 Management System and its Bank Accounts, and to assist it in accomplishing a smooth  
 15 transition to operating in Chapter 11. Authority for debtors to pay bank fees and banks to  
 16 charge back returned items has been routinely granted in other Chapter 11 cases. *See, e.g., In re*  
 17 *OnCure Holdings, Inc., et al.*, Case No. 13-11540 (KG) (Bankr. D. Del.) [Dkt. #143]; *In re*  
 18 *AFA Investment Inc., et al.*, Case No. 12-11127 (MFW) (Bankr. D. Del.) [Dkt. #37]; *In re*  
 19 *Harry & David Holdings, Inc., et al.*, Case No. 11-10884 (MFW) (Bankr. D. Del.)  
 20 [Dkt. #51].

## 21 **REQUESTS FOR IMMEDIATE RELIEF AND WAIVER OF STAY**

22 22. Pursuant to Rules 6003(b) and 6004(h) of the Federal Rules of  
 23 Bankruptcy Procedure ("Bankruptcy Rules"), Debtor seeks immediate entry of an order  
 24 granting Debtor (a) the authority to continue to pay Fees and (b) a waiver of any stay of the  
 25 effectiveness of such an order.  
 26



23. Bankruptcy Rule 6003(b) provides, in relevant part, that "[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, issue an order granting \* \* \* a motion to pay all or part of a claim that arose before the filing of the petition." Accordingly, where the failure to grant any such requested relief would result in immediate and irreparable harm to Debtor's estate, the Court may allow Debtor to pay all or part of a claim that arose before the Petition Date prior to the 21st day following the Petition Date. Bankruptcy Rule 6004(h) provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise."

24. The continued use of the Bank Accounts, Cash Management System and checks, and the payment of Fees are necessary to prevent the immediate and irreparable damage to Debtor's operations. Any disruption to its many Bank Accounts, even for a short period of time, would wreak havoc on Debtor's ability to safely collect funds from customers, pay its vendors and employees, and operate in the ordinary course. Accordingly, Debtor submits that ample cause exists to justify: (a) the immediate entry of an order granting the relief sought herein pursuant to Bankruptcy Rule 6003(b); and (b) a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent it applies. *In re Lehman Brothers Holdings Inc.*, 2008 WL 4902202, No. 08-13555(JMP), at \*1 (Bankr. S.D.N.Y. Nov. 6, 2008) (ordering that notwithstanding Bankruptcy Rule 6004(h), the order authorizing debtors to continue using existing management system and existing bank accounts shall be immediately effective and enforceable); *In re Borders Group, Inc.*, 2011 WL 5520261, No. 11-1-614 (MG) at \*2 (Bankr. S.D.N.Y. Sept. 27, 2011) (lifting 14-day stay under Bankruptcy Rule 6004(h) where time was of the essence); *In re General Growth Properties, Inc.*, 412 B.R. 122, 127 (Bankr. S.D.N.Y. 2009) (finding that order was enforceable immediately notwithstanding Bankruptcy Rule 6004(h) where debtors demonstrated good

1 cause for immediate entry of the order, immediate entry of the order would minimize  
2 disruption to debtors' business operations and permit debtors to satisfy their operating  
3 expenses, increased possibility of successful reorganization, and was in the best interests of  
4 the debtors, creditors and estate).

5 25. A copy of the proposed Order Authorizing Continued Use of Cash  
6 Management System and Existing Bank Accounts is attached hereto as **Exhibit 2**.

7 WHEREFORE, Debtor respectfully requests that the Court enter an order,  
8 substantially in the form attached hereto as **Exhibit 2**: (a) granting the relief sought herein  
9 and (b) granting to Debtor such other and further relief as the Court deems just and proper.

10 DATED this 19th day of November, 2013.

11 TONKON TORP LLP

12  
13 By /s/ Albert N. Kennedy

14 Albert N. Kennedy, OSB No. 821429  
15 Timothy J. Conway, OSB No. 851752  
16 Michael W. Fletcher, OSB No. 010448  
17 Ava L. Schoen, OSB No. 044072  
18 Attorneys for Debtor  
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# **EXHIBIT 1**

## **BANK ACCOUNTS**

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
4	Coast Central Credit Union PO Box 339 Hoopa, CA 95546	530-625-4208	-4063	Local Store Branch	Store
8	Rogue Federal Credit Union PO Box 1010 Gold Beach, OR 97444	541-247-7081	-2664	Local Store Branch	Store
18	Umpqua Bank 1125 US Hwy 101 S Bandon, OR 97411	541-347-2401	-8783	Local Store Branch	Store
24	American West Bank 309 N. Mt. Shasta Blvd Mt. Shasta, CA 96067	530-926-1680	-1939	Local Store Branch	Store
25	Scott Valley Bank PO Box 580 Etna, CA 96027	530-467-3211	-3168	Local Store Branch	Store
26	Scott Valley Bank PO Box 707 Ft. Jones, CA 96032	530-486-2242	-4494	Local Store Branch	Store
28	Evergreen Federal PO Box 705 Cave Junction, OR 97523	541-592-2191	-3008	Local Store Branch	Store
32	Umpqua Bank 915 Redwood Dr. Suite B Garberville, CA 95542	707-923-2745	-0693	Local Store Branch	Store
33	Bank of Willits PO Box 98 Willits, CA 95490	707-459-5533	-1401	Local Store Branch	Store
39	Siuslaw Bank PO Box 280 Florence, OR 97439	541-997-3486	-6179	Local Store Branch	Store
44	Umpqua Bank 355 NE Alder Waldport, OR 97394	866-486-7782	-0941	Local Store Branch	Store
48	Siuslaw Valley Bank PO Box 97 Creswell, OR 97426	541-997-6592	-1747	Local Store Branch	Store
50	Siuslaw Valley Bank PO Box 690 Oakridge, OR 97463	541-782-4261	-2580	Local Store Branch	Store
52	Plumas Bank PO Box 189 Fall River Mills, CA 96028	530-336-5526	-0918	Local Store Branch	Store

C&K MARKET, INC. BANK ACCOUNTS					
STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
55	Rogue Federal Credit Union PO Box 487 Port Orford, OR 97465	541-332-3711	-9931	Local Store Branch	Store
56	American West Bank PO Box 1007 Sutherlin, OR 97479	541-459-2246	-3958	Local Store Branch	Store
58	American West Bank PO Box 1334 Winston, OR 97496	541-440-2654	-1317	Local Store Branch	Store
64	Umpqua Bank 915 Redwood Dr. Suite B Garberville, CA 95542	707-923-2745	-0715	Local Store Branch	Store
71	Evergreen Federal PO Box 705 Cave Junction, OR 97523	541-592-2191	-0908	Local Store Branch	Store
72	Umpqua Bank 5251 Main St Springfield, OR	541-7266100	-9906	Local Store Branch	Store
73	Umpqua Bank 805 11th Street Lakeport, CA 95453	541-469-5336	-5999	Local Store Branch	Store
75	Umpqua Bank 39171 Hwy 299 Willow Creek, CA 95573	530-629-4075	-6336	Local Store Branch	Store
77	Umpqua Bank 355 NE Alder Waldport, OR 97394	866-486-7782	-9370	Local Store Branch	Store
82	Umpqua Bank 201 N. Pacific Hwy Talent, OR 97540	541-535-3394	-5522	Local Store Branch	Store
Admin	Umpqua Bank 16271 Hwy 101 S Harbor, OR 97415	541-469-5336	-6070	Consolidating Account For All Umpqua	Sweep
Admin	American West Bank 3369 Crater Lake Hwy Medford, OR 97504	541-618-8248	-9882	Consolidating Account For All American West	Sweep
Admin	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9162	Rollup Of All C&K Receipts To Pay Down ABF Loan	Special

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-9104	Account To Draw On ABF Loan And Fund AP/PR And Manage Other Daily Activity	Operating
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5847	Old AP Account – Still Has Checks Outstanding	A/P CDA
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-4459	Account For All AP Checks	Market A/P
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-0095	Account For All PR Activity – Checks/Taxes/DD	Payroll (Disbursement)
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-0145	Account For Misc Deposits – Rental, ATM, Misc \$	Corp Misc
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-0152	Account For Vendor Rebates	Rebate
Cafeteria Plan	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-0137	Account For C&K Health Plan	Stand Alone Operating
Admin	Wells Fargo Advisors MAC N9325-03480 South Eighth Street, #300 Minneapolis, MN 55479	877-777-4215	-7384	Cash Account At Brokerage Company	Brokerage
1	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-9062	Debit/Credit/EBT & Echecks Local Store Branch	Store
2	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-9070	Debit/Credit/EBT & Echecks Local Store Branch	Store
4	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9088	Debit/Credit/EBT & Echecks	Shadow
5	US Bank 400 SW 6 <sup>th</sup> Street Grants Pass, OR 97528	877-224-8679	-9096	Debit/Credit/EBT & Echecks Local Store Branch	Store
7	US Bank 953 G Street Arcata, CA 95521	877-224-8679	-9112	Debit/Credit/EBT & Echecks Local Store Branch	Store

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
8	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9120	Debit/Credit/EBT & Echecks	Shadow
9	US Bank 139 E Pine Street Central Point, OR 97502	877-224-8679	-9138	Debit/Credit/EBT & Echecks Local Store Branch	Store
10	US Bank 827 S Central Medford, OR 97504	877-224-8679	-9146	Debit/Credit/EBT & Echecks Local Store Branch	Store
12	US Bank 400 SW 6 <sup>th</sup> Street Grants Pass, OR 97528	877-224-8679	-9161	Debit/Credit/EBT & Echecks Local Store Branch	Store
14	US Bank 1690 Allen Creek Road Grants Pass, OR 97528	877-224-8679	-9179	Debit/Credit/EBT & Echecks Local Store Branch	Store
17	US Bank 105 N Main Street Myrtle Creek, OR 97457	877-224-8679	-9195	Debit/Credit/EBT & Echecks Local Store Branch	Store
18	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9211	Debit/Credit/EBT & Echecks	Shadow
23	US Bank 269 Main Street Weed, CA 96094	877-224-8679	-9229	Debit/Credit/EBT & Echecks Local Store Branch	Store
24	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9237	Debit/Credit/EBT & Echecks	Shadow
25	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9245	Debit/Credit/EBT & Echecks	Shadow
26	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9260	Debit/Credit/EBT & Echecks	Shadow
28	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9278	Debit/Credit/EBT & Echecks	Shadow
29	US Bank 105 N Main Street Myrtle Creek, OR 97457	877-224-8679	-9336	Debit/Credit/EBT & Echecks Local Store Branch	Store

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
32	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9328	Debit/Credit/EBT & Echecks	Shadow
33	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9286	Debit/Credit/EBT & Echecks	Shadow
36	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9344	Debit/Credit/EBT & Echecks Local Store Branch	Store
37	US Bank 953 G Street Arcata, CA 95521	877-224-8679	-9369	Debit/Credit/EBT & Echecks Local Store Branch	Store
38	US Bank 2910 F Street Eureka, CA 95501	877-224-8679	-9377	Debit/Credit/EBT & Echecks Local Store Branch	Store
39	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9385	Debit/Credit/EBT & Echecks	Shadow
41	US Bank 1025 W Bond Street Bend, OR 97708	877-224-8679	-9393	Debit/Credit/EBT & Echecks Local Store Branch	Store
42	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9419	Debit/Credit/EBT & Echecks Local Store Branch	Store
43	US Bank 139 E Pine Street Central Point, OR 97502	877-224-8679	-9427	Debit/Credit/EBT & Echecks Local Store Branch	Store
44	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9435	Debit/Credit/EBT & Echecks	Shadow
45	US Bank 123 W Hood Street Sisters, OR 97759	877-224-8679	-9443	Debit/Credit/EBT & Echecks Local Store Branch	Store
46	US Bank 220 W Center Street Yreka, CA 96097	877-224-8679	-9468	Debit/Credit/EBT & Echecks Local Store Branch	Store
47	US Bank 1101 L Street Fortuna, CA 95540	877-224-8679	-9476	Debit/Credit/EBT & Echecks Local Store Branch	Store



## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
48	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9484	Debit/Credit/EBT & Echecks	Shadow
49	US Bank 1020 3 <sup>rd</sup> Street Crescent City, CA 95531	877-224-8679	-9492	Debit/Credit/EBT & Echecks Local Store Branch	Store
50	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9518	Debit/Credit/EBT & Echecks	Shadow
51	US Bank 1620 Mohawk Blvd Springfield, OR 97477	877-224-8679	-9526	Debit/Credit/EBT & Echecks Local Store Branch	Store
52	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9534	Debit/Credit/EBT & Echecks	Shadow
54	US Bank 51469 S Huntington Rd La Pine, OR 97739	877-224-8679	-9542	Debit/Credit/EBT & Echecks Local Store Branch	Store
55	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9567	Debit/Credit/EBT & Echecks	Shadow
56	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9575	Debit/Credit/EBT & Echecks	Shadow
57	US Bank 619 SE Main Street Roseburg, OR 97470	877-224-8679	-9633	Debit/Credit/EBT & Echecks Local Store Branch	Store
58	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9591	Debit/Credit/EBT & Echecks	Shadow
60	US Bank 221 NE 3 <sup>rd</sup> Street Prineville, OR 97754	877-224-8679	-9617	Debit/Credit/EBT & Echecks Local Store Branch	Store
61	US Bank 139 E Pine Street Central Point, OR 97502	877-224-8679	-9625	Debit/Credit/EBT & Echecks Local Store Branch	Store
62	US Bank 139 E Pine Street Central Point, OR 97502	877-224-8679	-9583	Debit/Credit/EBT & Echecks Local Store Branch	Store

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
63	US Bank 125 E California Street Jacksonville, OR 97530	877-224-8679	-9641	Debit/Credit/EBT & Echecks Local Store Branch	Store
64	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9021	Debit/Credit/EBT & Echecks	Shadow
65	US Bank 314 SW 6 <sup>th</sup> Street Redmond, OR 97756	877-224-8679	-9039	Debit/Credit/EBT & Echecks Local Store Branch	Store
66	US Bank 105 N Main Street Myrtle Creek, OR 97457	877-224-8679	-9047	Debit/Credit/EBT & Echecks Local Store Branch	Store
67	US Bank 400 SW 6 <sup>th</sup> Street Grants Pass, OR 97526	877-224-8679	-9005	Debit/Credit/EBT & Echecks Local Store Branch	Store
68	US Bank 400 SW 6 <sup>th</sup> Street Grants Pass, OR 97526	877-224-8679	-9054	Debit/Credit/EBT & Echecks Local Store Branch	Store
70	US Bank 205 Ellsworth SW Albany, OR 97321	877-224-8679	-9153	Debit/Credit/EBT & Echecks Local Store Branch	Store
71	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9203	Debit/Credit/EBT & Echecks	Shadow
72	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9252	Debit/Credit/EBT & Echecks	Shadow
73	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9302	Debit/Credit/EBT & Echecks	Shadow
75	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9351	Debit/Credit/EBT & Echecks	Shadow
76	US Bank 51469 S Huntington Rd La Pine, OR 97739	877-224-8679	-9401	Debit/Credit/EBT & Echecks Local Store Branch	Store
77	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9450	Debit/Credit/EBT & Echecks	Shadow

## C&amp;K MARKET, INC. BANK ACCOUNTS

STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	DESCRIPTION	PURPOSE
79	US Bank 206 S Bridge Street Sheridan, OR 97378	877-224-8679	-5466	Debit/Credit/EBT & Echecks Local Store Branch	Store
80	US Bank 375 NW Monroe Ave Corvallis, OR	541-757-4000	-1382	Debit/Credit/EBT & Echecks Local Store Branch	Store
81	US Bank 229 N. First Street Drain, OR	541-836-2121	-0160	Debit/Credit/EBT & Echecks Local Store Branch	Store
82	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-3131	Debit/Credit/EBT & Echecks	Store

C&K EXPRESS, LLC					
STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	Description	PURPOSE
18	Umpqua Bank 1125 Hwy 101 S Bandon, OR 97411	541-347-2401	-2180	Local Store Branch	Store
18	Umpqua Bank 1125 Hwy 101 S Bandon, OR 97411	541-347-2401	-2198	Account For Wine Deliveries - COD	Bandon Beer Acct
24	American West Bank 3369 Crater Lake Hwy Medford, OR 97504	541-618-8247	-9637	Local Store Branch	Store
28	Evergreen Federal PO Box 705 Cave Junction, OR 97523	541-592-2191	-4800	Local Store Branch	Store
39	Siuslaw Bank PO Box 280 Florence, OR 97439	541-342-4000	-2741	Local Store Branch	Store
48	Siuslaw Bank PO Box 97 Creswell, OR 97426	541-895-4511	-3839	Local Store Branch	Store
64	Umpqua Bank 16271 Hwy 101 S Brookings, OR 97415	541-469-5336	-6278	Local Store Branch	Store
78	Umpqua Bank 355 NE Alder Waldport, OR 97394	541-469-5336	-9438	Local Store Branch	Store
Admin	Tri Counties Bank 204 Chestnut Street Mt. Shasta, CA 96067	530-926-2653	-0102	Old Account That Still Receives Electronic Pymts	Operating
Admin	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-2810	Rollup Of All Pharmacy Receipts To Pay Down ABF Loan	Special
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-3370	Account To Draw On ABF Loan And Fund AP/PR And Manage Other Daily Activity	Operating
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5979	Old AP Account – Still Has Checks Outstanding	A/P CDA
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-4467	Account For All AP Checks	Express AP

C&K EXPRESS, LLC					
STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	Description	PURPOSE
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-3180	Account For Misc Deposits – Rental, ATM, Misc \$	Corp Misc
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5177	Account For All PR Activity – Checks/Taxes/DD	Payroll
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5235	Account For 3 <sup>rd</sup> Party Insurance Billings	Third Party Payer – Deposit
Admin	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5227	Account For Medicare Pymts	Medicare - Deposit
Admin Tiffany	Umpqua Bank PO Box 1820 Roseburg, OR 97470	866-486-7782	-3874	Old Account That Still Receives Electronic Pymts	Operating/Third Party Deposits/Medicare
Admin Tiffany	Umpqua Bank PO Box 1820 Roseburg, OR 97470	866-486-7782	-3331	Old Account That Still Receives Electronic Pymts	Money Market Sweep
1	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-5474	Debit/Credit/EBT & Echecks Local Store Branch	Store
2	US Bank 326 5 <sup>th</sup> Street Brookings, OR 97415	877-224-8679	-0079	Debit/Credit/EBT & Echecks Local Store Branch	Store
9	US Bank 139 E Pine Street Central Point, OR 97502	877-224-8679	-9980	Debit/Credit/EBT & Echecks Local Store Branch	Store
17	US Bank 105 N Main Street Myrtle Creek, OR 97457	877-224-8679	-0061	Debit/Credit/EBT & Echecks Local Store Branch	Store
18	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-2505	Debit/Credit/EBT & Echecks	Shadow
24	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-0053	Debit/Credit/EBT & Echecks	Shadow
28	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-9998	Debit/Credit/EBT & Echecks	Shadow

C&K EXPRESS, LLC					
STORE	BANK NAME	TELEPHONE	ACCOUNT # (Last 4 Digits)	Description	PURPOSE
39	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-2513	Debit/Credit/EBT & Echecks	Shadow
41	US Bank 1025 W Bond Street Bend, OR 97708	877-224-8679	-0046	Debit/Credit/EBT & Echecks Local Store Branch	Store
48	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-0038	Debit/Credit/EBT & Echecks	Shadow
57	US Bank 619 SE Main Street Roseburg, OR 97470	877-224-8679	-0020	Debit/Credit/EBT & Echecks Local Store Branch	Store
64	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-0087	Debit/Credit/EBT & Echecks	Shadow
65	US Bank 314 SW 6 <sup>th</sup> Street Redmond, OR 97756	877-224-8679	-0012	Debit/Credit/EBT & Echecks Local Store Branch	Store
70	US Bank 205 Ellsworth SW Albany, OR 97321	877-224-8679	-0004	Debit/Credit/EBT & Echecks Local Store Branch	Store
78	US Bank PO Box 1800 St. Paul, MN 55101-0800	877-224-8679	-0129	Debit/Credit/EBT & Echecks	Shadow

# **EXHIBIT 2**

## **PROPOSED FORM OF ORDER**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON

In re

C & K Market, Inc.,

Debtor.

Case No.

**ORDER GRANTING DEBTOR'S  
MOTION FOR ORDER AUTHORIZING  
CONTINUED USE OF EXISTING BANK  
ACCOUNTS AND CASH  
MANAGEMENT SYSTEM**

THIS MATTER having come before the Court upon Debtor's Motion for Order Authorizing Continued Use of Existing Bank Accounts and Cash Management System (the "Motion") [Dkt. #\_\_\_\_\_]; the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence presented with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (1) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (2) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (3) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (4) notice of the Motion and the Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief



requested in the Motion is in the best interests of Debtor, its estate and the creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED that:

1. The Motion is granted as set forth herein.
2. Debtor is authorized to: (a) continue to use the Bank Accounts under existing account numbers without interruption; (b) maintain its Cash Management System in substantially the same form as described in the Motion; (c) implement ordinary course changes to its Cash Management System; and (d) open and close bank accounts; provided, however, that (i) Debtor gives notice to the Office of the United States Trustee and any official committee appointed in this Chapter 11 case prior to opening or closing a bank account, and (ii) any such action is not prohibited by any other agreement Debtor may be a party to. Any new domestic bank account opened by Debtor shall (a) be opened at a bank that has an executed a uniform depository agreement on file with the Office of the United States Trustee for the District of Oregon or at a bank that is willing to execute such an agreement, and (b) be established at an institution insured by the FDIC or the FSLIC and that is organized under the laws of the United States or any state therein.
3. The existing agreements between Debtor and any applicable bank shall continue to govern the post-petition cash management relationship between Debtor and such bank, and all of the provisions of such agreements shall remain in full force and effect, and Debtor is authorized to comply with the terms of such agreements.
4. The Banks are authorized, but not directed, to continue to service and administer the Bank Accounts as accounts of Debtor as debtor-in-possession without interruption, and to receive, process, honor and pay any and all checks and drafts drawn on, or electronic transfer requests made on, the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be; unless, with respect to any particular check, Debtor has

delivered a stop payment notice to the applicable Bank in accordance with the applicable agreement governing such relationship.

5. Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored or dishonored pursuant to this or any other order of this Court, and the Banks shall not have any liability to any party for relying on such representations by the applicable Debtor. The Debtors shall timely furnish to the Banks stop payment orders for any checks or other payment orders issued prior to the Petition Date which the Debtors do not want to be honored in accordance with the applicable agreement governing such relationship.

6. Banks are authorized to debit the applicable Bank Account in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtor's applicable Bank Account which are cashed at a Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in the applicable Bank Account prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent Debtor is responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

7. For the Banks at which Debtor holds Bank Accounts that are party to a uniform depository agreement with the Office of the United States Trustee for the District of Oregon, within 15 days of the date of entry of this Order, Debtor shall: (a) contact each Bank, (b) provide such Bank with Debtor's employer identification number, and (c) identify each of their Bank Accounts being held at such Banks as being held by a debtor- in-possession in a bankruptcy case.

8. Debtor shall not be required to include the legend "D.I.P." and the corresponding bankruptcy case number on existing checks. Nonetheless, as soon as practicable

after the Petition Date, Debtor will include "D.I.P." and the corresponding bankruptcy case number on any checks it prints electronically or orders.

9. Notwithstanding anything to the contrary contained herein, any payment made, or authorization contained herein, shall be subject to the requirements imposed on Debtor under any order approving the use of cash collateral.

10. The requirements of Bankruptcy Rule 6003(b) have been satisfied with respect to the payments authorized by this Order.

11. This Order shall be immediately effective and enforceable upon its entry. To the extent it may be applicable, the 14-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

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I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

Presented by:

TONKON TORP LLP

By \_\_\_\_\_  
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cc: List of Interested Parties